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NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 1993

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Release Date 2-4-04

# NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Annual Financial Report

Year Ended June 30, 2003

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the accompanying general purpose financial statements of the North Webster Parish Industrial District as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the North Webster Parish Industrial District as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the North Webster Parish Industrial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Jameson, William J. Martin*

Minster, Louisiana  
November 3, 2000

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the general purpose financial statements of the North Webster Parish Industrial District, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether North Webster Parish Industrial District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of North Webster Parish Industrial District in a separate letter dated November 3, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered North Webster Parish Industrial District's internal control over financial reporting in order to determine our auditing procedures for the

purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of North Webster Parish Industrial District in a separate letter dated November 3, 2013.

This report is intended solely for the information of the District's Board of Commissioners, others within the organization, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jamison, Wise & Martin*

Minden, Louisiana

November 3, 2013

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**MANAGEMENT LETTER**

To the Board of Commissioners  
North Webster Parish Industrial District

We have audited the financial statements of the North Webster Parish Industrial District, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 3, 2003.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the District. As a supplement to the reports, we submit for your consideration pertaining to the following observations, which did not meet the criteria of being material to the general purpose financial statements.

*Internal control and compliance issues considered non-material to general purpose financial statements.*

**2003-01 Compliance with LSA R.S. 18:1346**

*Description of finding:* State law requires the District to publish a notice stating that the proposed budget is available for public inspection and also state that a public hearing on the proposed budget will be held with the date, time and place of the hearing specified in the notice. The notice is required to be published ten days before the first public hearing. The District published a notice of public hearing for the 2003 proposed budget on June 3, 2002, June 6, 2002 and June 7, 2002. The public hearing was held June 10, 2002. The notice published complied with LSA R.S. 39:1306 "Public Participation" with the exception that it did not meet the ten day requirement. We recommended that the District publish its notices within the time required by the statute.

**2003-02 Compliance with LSA R.S. 43:171**

*Description of finding:* The District did not publish the proceedings of some of their meetings during the fiscal year ended June 30, 2003. LSA R.S. 43:171 A.(1) requires towns, drainage, road, railroad, navigation, and sewerage districts, or other political subdivisions of the state and parishes, shall have the proceedings of their board and each financial statements required by and furnished to the legislative bodies published in a newspaper. We recommended that steps be taken to ensure that all proceedings of meetings and also financial

statements are published as required by LSA RS 40:171.

The District's management has addressed prior audit findings unless included in the above comments. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

*Samuel Weiss & Martin*

Samuel Weiss & Martin  
November 3, 2009



## GENERAL PURPOSE FINANCIAL STATEMENTS

**SOUTH WINDSOR PARISH INDUSTRIAL DISTRICT**  
**Combined Balance Sheet - all Fund Types and Account Groups**  
**June 30, 2003**

	Governmental Fund Type	Enterprise	Proprietary Fund Type	Amount Group General	Totals	
					(Manufacturing Only)	
					2003	2002
<b>ASSETS</b>						
Cash	\$ 47,944	-	-	-	47,944	270,497
Interest-bearing bank deposits	852,963	-	-	-	852,963	403,640
Receivables:						
Utilities customers	-	593	-	-	593	342
Interest	1,200	-	-	-	1,200	4,199
Lease payments	151,369	-	-	-	152,369	169,972
Other	878	-	-	-	878	1,641
Prepaid insurance	17,856	-	-	-	17,856	12,523
Office building	-	-	-	86,878	86,878	98,076
Buildings	-	-	-	4,892,853	4,892,853	4,892,853
Park improvements	-	-	-	1,124,364	1,124,364	1,708,284
Furniture and fixtures	-	-	-	19,249	19,249	28,634
Land	-	-	-	364,478	364,478	304,573
Exemption fund property, plant and equipment	-	-	1,492,349	-	1,492,349	1,488,349
Accumulated depreciation	-	-	(827,110)	-	(827,110)	(932,846)
Deposits - utility and other	472	-	-	-	472	472
<b>Total assets</b>	<b>\$ 1,079,126</b>	<b>\$92,071</b>	<b>\$2,362,349</b>	<b>\$6,423,342</b>	<b>\$8,557,498</b>	<b>\$9,141,221</b>

The accompanying notes are an integral part of this statement.

**NORTH WESTER PARKER INDUSTRIAL DISTRICT**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**June 30, 2003**

	Governmental Fund Type	Proprietary Fund Type	Account Design (General)	Totals	
	General	Enterprise	Fund Assets	2003	2002
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 6,262	11,243	-	17,504	112,498
Payroll taxes payable	194	-	-	194	193
Unearned loan income	193,562	-	-	193,561	173,886
<b>Total liabilities</b>	<u>193,958</u>	<u>11,243</u>	<u>-</u>	<u>179,481</u>	<u>286,576</u>
<b>Fund equity:</b>					
Contributed capital	6,000	789,196	-	795,196	813,816
Invested in general fund assets	-	-	8,821,342	8,821,342	8,412,227
Retained earnings	-	31,813	-	31,813	60,365
Fund balances					
Unreserved -					
Undesignated	281,216	-	-	281,216	266,720
<b>Total fund equity</b>	<u>687,216</u>	<u>821,009</u>	<u>8,821,342</u>	<u>9,173,561</u>	<u>9,493,148</u>
<b>Total liabilities and fund equity</b>	<u>\$ 1,026,014</u>	<u>832,001</u>	<u>8,821,342</u>	<u>9,357,498</u>	<u>9,141,151</u>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Governmental Fund Types**  
**Year Ended June 30, 2011**

	General Fund	Totals (Memorandum) Only 2011
<b>Revenues:</b>		
Taxes and rentals	\$ 270,077	286,883
Rental income	289,444	153,329
Interest income	15,425	25,280
Oil and gas royalty income	4,994	3,184
Grants	-	232,000
Miscellaneous	<u>3,260</u>	<u>14,285</u>
Total revenues	<u>584,513</u>	<u>715,781</u>
<b>Expenditures:</b>		
Current:		
General and administrative	113,843	82,121
Park maintenance	4,189	3,116
Capital outlay	<u>28,681</u>	<u>881,347</u>
Total expenditures	<u>146,713</u>	<u>966,584</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>437,800</b>	<b>(250,803)</b>
<b>Other financing sources (uses):</b>		
Lease principal payments	21,334	21,433
Operating transfers in (out)	<u>(48,183)</u>	<u>(38,349)</u>
Total other financing sources (uses)	<u>(26,849)</u>	<u>(16,916)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<b>410,951</b>	<b>(267,719)</b>
<b>Fund balances at beginning of year</b>	<u>143,728</u>	<u>798,218</u>
<b>Fund balances at end of year</b>	<b>\$ 554,679</b>	<b>530,500</b>

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (Cash Basis) and Actual - General Fund**  
**Year Ended June 30, 2000**

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes - ad valorem	\$ 155,517	176,877	14,480
Rental income	327,476	296,816	(21,480)
Interest income	11,553	14,987	2,134
Oil and gas royalty income	3,680	4,266	634
Miscellaneous	580	3,351	4,883
Total revenues	<u>499,146</u>	<u>496,326</u>	<u>653</u>
<b>Expenditures:</b>			
Current:			
General and administrative	133,346	137,137	26,479
Park maintenance	7,869	6,309	1,358
Capital outlay	<u>608,668</u>	<u>88,486</u>	<u>500,994</u>
Total expenditures	<u>749,483</u>	<u>231,932</u>	<u>532,451</u>
Excess of revenues over expenditures:	(246,319)	268,797	535,116
<b>Other financing sources (uses):</b>			
Principal loan payments	-	25,132	25,132
Operating transfers (out)	<u>(41,383)</u>	<u>(48,386)</u>	<u>(6,296)</u>
Total other financing sources	<u>(41,383)</u>	<u>(23,254)</u>	<u>18,558</u>
Excess of revenues and other financing sources over expenditures and other uses	(287,702)	245,543	531,674
Fund balances at beginning of year	<u>833,132</u>	<u>833,132</u>	<u>-</u>
Fund balances at end of year	<u>\$ 545,430</u>	<u>\$98,885</u>	<u>\$531,674</u>

The accompanying notes are an integral part of this statement.

NORTH WEESTER PARISH INDUSTRIAL DISTRICT  
 Combined Statement of Revenues, Expenses and Changes in  
 Retained Earnings - Enterprise Fund  
 Year Ended June 30, 2003

	Water & Sewer	(Miscellaneous Only) 2003
Operating revenues:		
Water and sewer income	\$ 5,277	3,181
Operating expenses:		
Depreciation	44,563	43,689
Contract labor	8,860	18,460
Utilities	3,263	3,594
Telephone	528	507
Testing and Fees - Sewer treatment	932	817
Repairs	18,678	11,151
Material & supplies	-	3,118
Sales tax	748	708
Total operating expenses	76,869	77,949
(Loss) before operating transfers	(71,628)	(75,689)
Operating transfers in	48,186	38,149
Net loss	(23,442)	(37,540)
Depreciation on fixed assets acquired by contributions	38,128	38,218
Increase (decrease) in retained earnings	14,708	1,708
Retained earnings at beginning of year	60,303	58,603
Retained earnings at end of year	\$ 75,011	60,311

The accompanying notes are an integral part of this statement.

**NORTH WEBSTER PARISH INDUSTRIAL DISTRICT**  
**Statement of Cash Flows -**  
**Enterprise Fund**  
**Year Ended June 30, 2003**

	Water & Sewer	(Miscellaneous Only) 2003
Cash flows from operating activities:		
Cash received from customers	\$ 5,267	4,011
Cash payments to suppliers for goods and services	<u>(13,453)</u>	<u>(10,130)</u>
Net cash (used) by operating activities	(48,186)	(18,249)
Cash flows from noncapital financing activities:		
Operating transfers from other funds	<u>48,186</u>	<u>18,249</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>-</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (71,428)	(31,605)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	44,363	45,669
Increase in accounts receivable	(10)	478
Increase in accounts payable	<u>(21,111)</u>	<u>(18,581)</u>
	<u>23,242</u>	<u>27,566</u>
Net cash (used) by operating activities	<u>\$ (48,186)</u>	<u>(18,249)</u>

**Schedule of Noncash Investing, Capital, and Financing Activities:**

Depreciation recognized during the year ended June 30, 2003, on assets constructed through resources received for the acquisition and construction of assets, was debited to the contributed capital account in the amount of \$18,190.

The accompanying notes are an integral part of this statement.

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Notes to Financial Statements

June 30, 2003

#### INTRODUCTION

The North Webster Parish Industrial District was created as a political subdivision of the state, under the provisions of Act No. 422 of the 1978 regular session of the Louisiana Legislature. Its territorial limits and jurisdiction extend throughout Ward Two of Webster Parish in the northwest corner of the State of Louisiana.

The governing authority of the District is a Board of Commissioners consisting of seven members, two of whom are appointed by the City of Springhill, one each is appointed by the municipalities of Cullen, Sampta, Shingalon and Cotton Valley, and one is appointed by the Webster Parish Police Jury. Each commissioner serves for an indefinite term of office at the pleasure of the appointing authority.

The District is provided the powers and duties to incur debt and issue bonds to encourage industrial enterprises through the operation of an industrial park.

#### 1. Summary of Significant Accounting Policies

- A. Basis of presentation - The accounting and reporting practices of the North Webster Parish Industrial District conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the industry audit guide, *Audit of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants, and to the applicable Louisiana Revised Statutes.
- B. Reporting entity - For financial reporting purposes, in conformance with GASB Statement No. 14, the North Webster Parish Industrial District includes all funds and account groups which are controlled by the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent upon the District. Control or dependence is determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility.



## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Notes to Financial Statements

June 30, 2003

- C. Fund accounting - The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

#### Governmental Funds:

Governmental funds account for most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. The governmental fund used by the District for the year ended June 30, 2003, included:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Proprietary Funds:

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include enterprise funds and internal service funds. The proprietary fund used by the District for the year ended June 30, 2003, included:

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2008

**Enterprise Fund -** The Enterprise Fund (Water & Sewer) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- D. **Basis of accounting -** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property tax revenues are recognized when they become available. Available means that the taxes are recognized as revenues if they are collected within the sixty days after the end of the calendar year. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

With the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due.

Other financing sources represent transfers between funds that are not expected to be repaid (or a other types such as capital lease transactions and debt retirements). These other financing sources are recognized at the time the underlying events occur.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

- E. Budgets and budgetary accounting - The District follows these procedures in establishing the budgetary data reflected in these financial statements:
- 1) The administrative assistant prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
  - 2) After formal review and public inspection, the budget is adopted by the Board of Commissioners prior to June 30 of the year end.
  - 3) Formal budgetary integration is employed as a management control device during the year for the general fund. Budgetary amendments require the approval of the Board of Commissioners. The Board of Commissioners is authorized to transfer amounts between line items within any fund. For the year ended June 30, 2003, the budget was amended in accordance with Louisiana Revised Statutes.
  - 4) The budgets for the general fund is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).
  - 5) Appropriations lapse at the end of each fiscal year.
  - 6) The Board of Commissioners may authorize supplemental appropriations during the year.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

The revenues and expenditures, for the year ended June 30, 2003, as shown on Statement B, are reconciled with the amounts reflected on the budget comparison on Statement C as follows:

	General Fund
Year ended June 30, 2003:	
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)	\$ 338,036
To adjust for:	
(Increase) Decrease in receivables	30,000
(Increase) Decrease in prepaid assets	(4,333)
Increase (Decrease) in payables	<u>(58,700)</u>
Excess of revenues and other financing sources over expenditures and other uses (Cash Basis)	\$ 261,763

- F. Cash and cash equivalents - Cash includes amounts in demand deposits and certificates of deposit. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of the State of Louisiana or national banks having their principal offices in Louisiana.
- G. Short-term interfund receivables and payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from funds or due to funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.
- H. Bad debts - All receivables are considered fully collectible and, therefore, no allowance for uncollectible amounts is provided. If amounts become uncollectible, they are

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

### Notes to Financial Statements

June 30, 2003

charged to operations when that determination is made.

- I. Fixed assets - Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized in the general fixed asset account group. Public domain or infrastructures are capitalized if funding for construction or acquisition is provided from federal or state sources. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method.

- J. Prepaid items - The District sometimes prepay some expenditures in order to assure some goods or services in a reliable manner. Insurance coverage was the only prepaid expenditure at June 30, 2003.

- K. Compensated absences - The District does not have a formal vacation and sick leave policy.

- L. Fund equity

Contributed capital - Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment in net income.

- M. Interfund transactions - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecouping or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

- N. **Total columns and combined statements** - Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. **Ad Valorem taxes**

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied and collected by the tax collector of the Parish of Webster. Taxes are levied in September or October, and are actually billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year.

The tax levy for 2002 was 3.23 mills of the assessed property valuation on tax rolls as of January 1. For the year ended June 30, 2003, taxes of \$ 273,313 were levied on property with assessed valuations totaling 52,146,563.

3. **Cash and cash equivalents** - At June 30, 2003, the District had cash and cash equivalents totaling \$ 896,848, as follows:

Interest bearing demand deposits	\$ 475,353
Certificate of deposit	424,287
Total	<u>\$ 896,848</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged

# NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Notes to Financial Statements

June 30, 2003

securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and cash equivalents at June 30, 2003, are secured as follows:

Bank balances	\$ <u>505,168</u>
Federal deposit insurance	\$ 200,000
Pledged securities (uncollateralized)	<u>864,716</u>
Total	\$ <u>1,064,716</u>

Even though the pledged securities are considered uncollateralized under the provisions of CIASB Statement No.3, Louisiana Revised Statute 36:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

### 4. Fixed assets

A summary of changes in general fixed assets follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Land	\$ 384,578	-	-	384,578
Office building	86,806	-	-	86,806
Buildings	4,891,833	-	-	4,892,618
Park improvements	1,105,884	15,500	-	1,124,384
Furniture and fixtures	<u>10,654</u>	<u>-</u>	<u>2,381</u>	<u>18,259</u>
Total	\$ <u>6,479,227</u>	<u>15,500</u>	<u>2,381</u>	\$ <u>6,492,342</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

A summary of Enterprise Fund type property, plant and equipment follows:

The Water and Sewer Fund uses the straight-line method of computing depreciation. All assets are depreciated from the month placed in service in the year of acquisition to the month discontinued from service in the year of disposition.

Description	Fixed in-service	Life	Cost	Current Year Depreciation	Accumulated Depreciation
Water & sewer lines	6-0-83	40 yrs.	1,383,611	3,428	141,408
Water plant	6-0-83	40 yrs.	113,733	3,893	42,119
Waterworks treatment plant	6-3-85	40 yrs.	346,603	6,207	125,355
Water tank	6-1-85	40 yrs.	266,641	6,748	116,387
Water well	6-1-85	40 yrs.	77,107	1,928	26,004
Capital improvement, water tank	6-1-85	10 yrs.	44,258	3,318	44,258
Capital improvement, water tank	3-1-88	10 yrs.	36,568	3,841	12,805
Capital improvement, water tank	4-6-88	10 yrs.	25,484	3,346	8,207
Water improvement	12-11-98	40 yrs.	247,094	6,184	48,187
Sewer improvement	12-16-90	10 yrs.	4,094	431	4,094
Sewer improvement	4-1-94	40 yrs.	1,022,948	1,623	23,208
<b>Totals</b>			<b>3,148,345</b>	<b>66,265</b>	<b>621,118</b>
			<b>Cost</b>	<b>Accumulated Depreciation</b>	
Changes during the year					
Balance, beginning of year			31,683,349	182,367	
Depreciation			—	49,260	
Balance, end of year			31,683,349	231,627	



# NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## Notes to Financial Statements

June 30, 2003

### 1. Leases

The District leased five buildings to companies operating in the park. The primary terms of the leases range from two years to twenty-five years with, in some cases, options to renew. The District has granted an option, within the primary term of the lease, for the lessee to purchase said building in all leases except for the operating lease on Building #4. The following is the net investment in each building:

Building #1	\$ 168,371
Building #2	1,887,799
Building #4	828,818
Building #5	1,154,930
CSP - Office facility/Geothermal	
Cooling System	<u>821,082</u>
Total	<u>\$ 4,882,093</u>

The following is a schedule of future minimum lease payments to be received, as of June 30, 2003:

Year Ended		Building #1	Building #2	Building #3	CSP	Total
June 30						
2004	\$ 4,558	129,021	33,686	58,353		218,120
2005	-	129,021	82,932	49,383		261,435
2006	-	129,021	82,932	48,490		260,463
2007	-	129,021	82,932	47,599		259,552
2008	-	129,021	82,932	46,547		258,500
Thereafter	-	<u>342,098</u>	<u>816,972</u>	<u>322,768</u>		<u>1,582,738</u>
Total minimum lease payments	\$ 4,558	<u>888,103</u>	<u>1,182,895</u>	<u>763,811</u>		<u>2,840,260</u>

NORTH WILSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

6. Direct Financing Lease

The District entered into a sales-leaseback transaction with Paul Furborg & Associates, Inc. on August 10, 1999. The District purchased various pieces of equipment for \$234,000, and leased the same equipment back to Paul Furborg & Associates, Inc.

Paul Furborg & Associates, Inc. will lease the equipment over a 10-year period commencing on August 10, 1999, at the end of which, the lessee will have an option to purchase the equipment for \$1.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of June 30, 2003:

Year ending <u>June 30</u>	
2004	\$ 35,152
2005	35,152
2006	35,152
2007	35,152
2008	35,152
Thereafter	<u>27,248</u>
Total minimum lease payments	153,008
less amount representing interest	<u>(8,182)</u>
Present value of net minimum lease payments	\$ <u>144,816</u>

7. Lease payments receivable

Lease payments receivable are reported net of unearned interest income as of June 30, 2003:

Lease payments receivable	\$160,340
Unearned interest income	<u>(16,182)</u>
Lease payments receivable (net)	\$ <u>144,158</u>

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Notes to Financial Statements  
June 30, 2003

8. Operating transfers

Operating transfer balances for the year ended June 30, 2003, were as follows:

	Operating Transfer	
	IN	OUT
General Fund	\$ -	48,186
Enterprise Fund	<u>48,186</u>	<u>-</u>
	<u>\$48,186</u>	<u>48,186</u>

9. Capital Debt Obligation

The North Webster Parish Industrial District issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition, construction and installation of a manufacturing facility deemed to be in the public interest. The bonds are secured by a \$3,500,000 Letter of Credit, revenues received in connection with the leasing of the facility, revenues of the District in excess of the statutory, ordinary and customary expenses, and any economic development tax of the District. The District is not obligated in any manner for repayment of the bonds beyond the resources received from Continental Structural Plastics of Louisiana, LLC. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2003, the principal amount payable for the North Webster Parish Industrial District Industrial Revenue Bonds (CSP Project) Series 1001 was \$3,500,000.

## OTHER SUPPLEMENTARY INFORMATION

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT  
Schedule of General Fund Expenditures  
Year Ended June 30, 2003

With Comparative Amounts for the Year Ended June 30, 2002

	2003	2002
General and administrative:		
Salaries	\$ 33,790	21,038
Taxes	1,785	1,641
Insurance	26,374	17,848
Legal and accounting	7,882	7,343
Professional fees	13,368	7,900
Office	6,584	4,896
Tax assessor Fees	10,216	18,148
Travel	3,314	2,214
Promotional	434	436
Telephone	3,764	2,346
Utilities	3,164	1,410
Dues	250	325
Printing	1,878	1,435
Contract labor	10,240	1,620
All other	480	302
Total general and administrative	<u>113,845</u>	<u>82,121</u>
Park expenditures:		
Maintenance	6,369	5,116
Capital outlay:		
Miscellaneous projects	3,181	18,130
CSP Project - Geothermal Cooling System	-	207,890
CSP Project - Office Facility/Loading Dock Paving	-	664,897
N. entrance drive modification	15,500	-
Total capital outlay	<u>20,681</u>	<u>881,247</u>
Total general fund expenditures	<u>\$ 140,535</u>	<u>963,464</u>

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

Schedule of Compensation Paid Board Members  
June 30, 2003

The Board of Commissioners of the North Webster Parish Industrial District meet each month. They do not receive any compensation. The following were members of the Board as of June 30, 2003:

Chairman	Thomas L. Craig	Member	Ray Mills
Vice-Chairman	Johanie K. Hill	Member	Howard Dossy, Jr.
Secretary	Darrin McClary	Member	J.L. Caraway
Member	Jerry Hayes		

## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2003

The prior year audit findings for the year ended June 30, 2002 was as follows:

**Section I - Internal Control and Compliance Material to the Financial Statements**

In connection with the audit of the general purpose financial statements as of and for the year ended June 30, 2002, of the North Webster Parish Industrial District, there were no items required to be reported in accordance with GASBS.

**Section III - Management Letter**

**2002-01: Enforcement of terms of lease agreements**

**Finding:** Payments due under lease agreements with tenants in the industrial park are not timely collected.

**Status:** Noted that the District is aware of amounts due from tenants per lease agreements. Collections for overdue payments was pursued and received from one of its tenants. The District is aware its lease receivables and the status of lease payments.

**2002-02: Compliance with LSA RS 39:1306**

**Finding:** District published public notice of public hearing on proposed 2002 budget, however, did not meet the ten day requirement.

**Status:** The District did not meet the ten day requirement on its proposed 2002 budget. However, it was noted that notice of the public hearing for the 2004 proposed budget was published as required by LSA RS 39:1306.

**2002-03: Public bid law**

**Finding:** Unable to determine whether the District is required to follow the public bid law concerning the construction of the building identified as CBP - Compression Facility.

**Status:** No violation of public bid law occurred during the fiscal year ended June 30, 2003.

NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2000

2001-04 Article VII, Section 14 of the 1974 Constitution

*Finding:* No travel policy adopted for the district and no reimbursement for prior year questionable payments.

*Status:* The District is currently in the process of adopting a formal travel policy. No questionable transactions involving travel expenditures was noted during the fiscal year ended June 30, 2000.



## NORTH WEBSTER PARISH INDUSTRIAL DISTRICT

CORRECTIVE ACTION PLAN FOR CURRENT  
YEAR AUDIT FINDINGS

June 30, 2003

**Section I - Internal Control and Compliance Material to the Financial Statements**

In connection with the audit of the general purpose financial statements as of and for the year ended June 30, 2003, of the North Webster Parish Industrial District, there were no items required to be reported in accordance with GASB.

**Section II - Management Letter****2003-01 Compliance with LSA, RS 39:1306**

*Description of finding:* State law requires the District to publish notice stating that the proposed budget is available for public inspection and also state that a public hearing on the proposed budget will be held with the date, time and place of the hearing specified in the notice. The notice is to be published two days before the first public hearing. The District published a notice of public hearing for the 2003 proposed budget on June 3, 2002, June 6, 2002 and June 7, 2002. The public hearing was held June 10, 2002. The notice published complied with LSA, R.S. 39:1306 "Public Participation" with the exception that it did not meet the statute's ten day requirement.

*Management response:* See attached response.

**2003-02 Compliance with LSA, RS 43:171**

*Description of finding:* The District did not publish the proceedings of some of their meetings during the fiscal year ended June 30, 2003. LSA, R.S. 43:171 A (1) requires levee, drainage, road, railroad, navigation, and sewerage districts, or other political subdivisions of the state and parishes, shall have the proceedings of their board and such financial statements required by and furnished to the legislative auditors published in a newspaper. We recommend that steps be taken to ensure that all proceedings of meetings and also financial statements are published as required by LSA, RS 43:171.

*Management response:* See attached response.



RECEIVED  
LEGISLATIVE COUNCIL

100 JAN -5 PM 03 98

December 15, 2000

Mrs. Kristine Cole, CPA  
TRAMSON, WYSE, AND MARRITT  
Certified Public Accountants  
681 Main St., P.O. Box 897  
Minden, LA 71054-6997

Re: Management Letter - 2000 Dec. 2000 Year-End Audit

Dear Kristine:

In reference to the management points contained in your letter re: the year-end audit for the North Webster Parish Industrial District, this is the corrective action that will be taken:

2001-01 Compliance with LSA RS 39:1206

The North Webster Parish Industrial District will take all steps required to become fully compliant. With regards to the above referenced statute it is the board's intention for all public meeting notices to be published a minimum of 10 days prior to the event, and every effort will be made to comply with these requirements. Administrative negligence explains the error in 2001. We did it right in 2000, and we will do so in the future.

2001-02 Compliance with LSA RS 39:1211

The North Webster Parish Industrial District has instituted administrative procedures designed to ensure that the proceedings of all minutes held and the required financial statements will be published in compliance with the above referenced statute. In addition, all administrative actions have been consolidated under the manager-consultant, and close supervision will eliminate errors in the future. New procedures include attaching a fax confirmation sheet to the back of every notice once it is faxed to the newspaper. Each publication will be checked on the date that the documents are supposed to be published for an additional confirmation. If the document is not published on its appropriate date, steps will be made with the newspaper to get published as quickly as possible. A fax log will be maintained, composed of copies of all fax confirmation sheets and will be double checked on a periodic basis to ensure that everything that is supposed to be published is being sent to these publication's offices and is received. In addition, we are revisiting past decisions to determine if we need to designate a different newspaper as our official publication.

Thank you for your assistance in pointing out these matters to us. We trust that the above referenced changes to the organization's office administration policies will correct all the deficiencies referenced above. If you have any questions, please contact us at the number shown above.

Sincerely,

  
Tom Craig  
Chairman

**NORTH WEBSTER INDUSTRIAL PARK**

North Webster Parish Industrial District, P.O. Box 179, Springhill, LA 71272 / 225-526-0000, Fax 225-694-0703